

Message Text

UNCLASSIFIED

PAGE 01 VIENNA 02175 131505Z

50

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-05 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 TRSE-00 ABF-01 FSE-00

FRB-01 /034 W

----- 032268

P R 131324Z MAR 75

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC PRIORITY 5089

INFO AMEMBASSY BERN UNN

AMEMBASSY BONN UNN

AMEMBASSY LONDON UNN

AMEMBASSY PARIS UNN

UNCLAS VIENNA 2175

E.O. 11652: N/A

TAGS: EAIR, AU

SUBJECT: CIVIL AVIATION: RECENT AUSTRIAN AIRLINES (AU) DEVELOPMENTS

SUMMARY: DESPITE DIFFICULT SITUATION OF INTERNATIONAL CIVIL AVIATION, AUSTRIAN AIRLINES SUCCEEDED IN MAKING PROFITS OF ABOUT 25 TO 30 MILLION SCHILLINGS IN 1974. IT IS FOURTH CONSECUTIVE YEAR AUA HAS BEEN IN BLACK. END SUMMARY.

1. AT ITS FEBRUARY 21 MEETING, AUA SUPERVISORY BOARD EXTENDED CONTRACTS OF THE COMPANY'S MANAGING DIRECTORS, DDR. ANTON HESCHGL AND DR. HUBERT PAPOUSEK, FOR ANOTHER FIVE YEARS, I.E., UNTIL JUNE 30, 1980.

2. BOARD FURTHER TOOK NOTE OF MANAGEMENT'S PRELIMINARY ANNUAL REPORT FOR 1974. IN SPITE OF SHARPLY INCREASED FUEL PRICES WHICH LED TO FARE INCREASES, CANCELLATIONS OF FLIGHTS AS CONSEQUENCE OF CONFLICT IN THE MEDITERRANEAN REGION, AND UNCERTAIN INTERNATIONAL ECONOMIC SITUATION, AUA MANAGED TO MORE THAN HOLD ITS OWN. IN 1974, IT CARRIED 840,785 PASSENGERS IN SCHEDULED AND 143,103 PASSENGERS IN UNCLASSIFIED

UNCLASSIFIED

PAGE 02 VIENNA 02175 131505Z

NON-SCHEDULED TRAFFIC, AN INCREASE OF 1 AND 3 PERCENT,

RESPECTIVELY, OVER PRECEDING YEAR. THE PASSENGER LOAD FACTOR DECREASED SLIGHTLY FROM 47.4 PERCENT IN 1973 TO 45.3 PERCENT IN 1974. AUA FURTHER CARRIED 9,127 TONS OF FREIGHT AND 1,700 TONS OF MAIL REACHING A WEIGHT LOAD FACTOR OF 42.8 PERCENT (44.5 PERCENT IN 1973). TOTAL REVENUES INCREASED BY 21 PERCENT TO 1.6 BILLION SCHILLINGS. HOWEVER, PROFITS DID NOT INCREASE IN PROPORTION THERETO BECAUSE OF SHARP FUEL PRICE INCREASES. AUA ESTIMATED PROFITS TO BE IN 25 TO 30 MILLION SCHILLINGS RANGE IN 1974.

3. COMPANY ASCRIBES RELATIVELY FAVORABLE OUTCOME TO VARIOUS FACTORS, INCLUDING FOLLOWING: AUA WAS AFFECTED BY FUEL COST INCREASES LATER THAN OTHER COMPANIES; MAJOR SHARE OF ITS BUSINESS IS WITH EAST-EUROPEAN COUNTRIES WHERE FUEL PRICE INCREASES CAME LATER AND WERE NOT SO HIGH AS IN WEST; TECHNICAL MAINTENANCE AGREEMENT WITH SWISSAIR WHICH RESULTED IN CONSIDERABLE SAVINGS; THE HIGH DAILY AIRCRAFT UTILIZATION RATE OF 9 1/2 HOURS AND AUA'S FAVORABLE FINANCIAL POSITION AS A RESULT OF CAPITAL INCREASE TO 1 BILLION SCHILLINGS IN 1969 (399 MILLION ARE STILL NOT PAID IN), WHICH MADE COMPANY LESS DEPENDENT ON HIGH-INTEREST LOANS.

4. AUA SUPERVISORY BOARD FURTHERMORE APPROVED COMPANY'S BUDGET FOR 1975 WHICH PROVIDES FOR MAJOR INVESTMENTS IN AIRCRAFT AND CONSTRUCTION SECTORS. IN 1975, AUA WILL TAKE DELIVERY OF TWO DC-9-50S (TOTAL COST ABOUT 288 MILLION SCHILLINGS), FIRST PLANE TO BE DELIVERED IN JULY AND SECOND IN DECEMBER. AUA HOLDS OPTION ON THIRD DC-9-50 WHICH WAS RECENTLY EXTENDED TO NOVEMBER 30, 1975 WITHOUT PREJUDICE TO THE ORIGINAL CONDITIONS, I.E. DELIVERY IN DECEMBER 1976. COMPANY IS CONFIDENT THAT IT WILL TAKE UP OPTION. AUA CURRENTLY OPERATES A FLEET OF NINE DC-9-30S. FOR A SHORT PERIOD FROM APRIL TO AUGUST WHEN THE FIRST DC-9-50 IS EXPECTED TO BE PLACED IN SERVICE, AUA WILL ALSO OPERATE A BAC-111 LEASED FROM A BRITISH CHARTER OPERATOR. WORK ON CONSTRUCTION OF NEW ADMINISTRATIVE BUILDING, SCHEDULED TO START LAST FALL, DELAYED BY FAILURE OF CITY OF VIENNA TO MAKE NECESSARY CHANGES IN LAND-USE PLAN.

CONVERSION RATE: US \$1 EQUALLED AS 16.62, JAN-FEB, 1975
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 VIENNA 02175 131505Z

AVERAGE.MOWINCKEL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, AIRLINES, INVESTMENT RETURNS, ORGANIZATION & MANAGEMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 13 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975VIENNA02175
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750088-0416
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750352/aaaabusy.tel
Line Count: 108
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUN 2003 by SilvaL0>; APPROVED <02 MAR 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVIL AVIATION: RECENT AUSTRIAN AIRLINES (AU) DE- VELOPMENTS
TAGS: EAIR, AU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006